

**THE PERSIAN GULF: A STUDY OF U.S.-IRANIAN
RELATIONS IN THE POST-GULF WAR ERA**

by

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I kourosh Ghassemi, certify that this thesis is my own work
and that all sources used have been acknowledged.

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TABLE OF CONTENTS

Acknowledgments

Abbreviations

Introduction.....1

Chapter One - Historical Background.....7

- Introduction.....7
- America And The Middle East.....8
- The Azerbaijan Crisis.....9
- Mossadegh And The Struggle For National Control.12
- Period Of Consolidation.....15
- The Nixon Doctrine.....17
- The Iranian Revolution.....19
- The Iran-Iraq War.....22
- The Persian Gulf War.....25
- Conclusion.....26

Chapter Two - America And The Persian Gulf.....29

- Introduction.....29
- U.S. Interests In The Persian Gulf.....30
- The New Regional Security Arrangement.....32
- Containing Iran.....36
- Alternative Security Arrangement.....39
- Conclusion.....40

Chapter Three - Iran A Threat?.....42

- Introduction.....42
- The Iranian Revolution And The Gulf States.....44
- Iran's Economy.....46
- Iran's Foreign Policy.....48
- The Clinton Administration's Policy Toward Iran.49
- Iran And The Persian Gulf.....50
- Iran's Military Buildup.....53
- Other U.S. "Concerns".....56
- U.S. Objective In "Demonising" Iran.....58
- Conclusion.....59

Conclusion.....60

Bibliography.....65

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ABBREVIATIONS

AWACS	Airborne Warning and Control System
CENTO	Central Treaty Organisation
CIA	Central Intelligence Agency
GCC	Gulf Cooperation Council
NATO	North Atlantic Treaty Organisation
OPEC	Organisation of Petroleum Exporting Countries
SEATO	Southeast Asia Treaty Organisation
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
US	United States
USSR	Union of Soviet Socialist Republics

INTRODUCTION

The aim of this dissertation is to examine U.S.-Iranian relations in the aftermath of the Persian Gulf War of 1991. It will probe whether Iran is a threat to the Persian Gulf security as claimed by the U.S. If so, does Iran need to be contained? If not, what other factors (such as America's desire for access and control of Middle Eastern oil) do determine U.S. policy vis-a-vis Iran? Since the end of the Iran-Iraq war and the death of Ayatollah Khomeini there has been a discernible change in Iran's foreign and regional policy and yet the U.S. continues to disregard these changes.

American hostility towards Iran has existed ever since the revolution which culminated in the fall in 1979 of the Shah, a staunch U.S. ally, and the assumption of power by Ayatollah Khomeini who steered Iran away from the U.S. However, this has reached a new level under the Clinton administration. The U.S. perceives Iran as a "radical" regime working to undermine "moderate" regimes in the Gulf and thus U.S. interests in the area.

With the end of bipolarity there has been a corresponding increase in the directness and intensity of U.S. military involvement in the Gulf. The U.S. has now replaced its traditional Gulf policy of fostering a balance of power with a policy of dual containment. That is to say, U.S. Gulf policy has aimed to isolate Iran as well as Iraq in order to minimise the likelihood that either state will emerge as the hegemon of

the Gulf. The policy is intended at preventing Iran from benefiting from normal trade and political relations. Similar to the policy of containing the former Soviet Union, America intends to create pressure on Iran which will eventually lead to the collapse of the current regime or weaken it to such an extent that it will change its behaviour to one more amenable to U.S. interests in the region. As Tarock explains:

The U.S. takes issue with Iran in five areas: (a) its alleged efforts to acquire nuclear and other weapons of mass destruction; (b) the threat that, once these offensive capabilities are acquired, could (in fact it is assumed will) be posed to its neighbours, ie the Persian Gulf states; (c) its alleged engagement in and sponsoring of international terrorism with a view to destabilising the Persian Gulf states friendly to the U.S.A; (d) its opposition to the peace agreement between the PLO and Israel; and (e) its alleged poor record on human rights.¹

Western presence in the Middle East predates the discovery of oil by at least a century. Located astride the world's most lucrative trade routes it became a focus of great powers for strategic reasons. The British and the French were the traditional actors in the Middle East, their presence set the framework for the discovery and exploitation of oil. Oil is a strategic commodity; it is the fuel on which almost every country's hopes for growth and economic prosperity rests. Oil first found in Iran and then in increasing quantities throughout the Middle East gradually assumed an overriding importance not only to the countries of the region but also to the industrialised nations of the West. The history of oil in the Middle East consists largely of plunder by the Western oil

¹ Tarock, A. "U.S.-Iran Relations: Heading For Confrontation?" Third World Quarterly, Vol. 17, no. 1, 1996, p. 150.

companies and governments of this non-renewable natural resource and therefore of regular interference in the political, economic and military affairs of this region to secure their interests. While oil was found under Arab and Persian soils it was fully controlled by the West, the ill-fated nationalisation attempt of the Mossadegh government in Iran in 1951 proves the validity of this point. After the Second World War, especially in the wake of the 1956 Suez fiasco, the European powers were eclipsed by the superpowers. Oil, the confrontation between the Soviet Union and the U.S., and the Middle East's strategic location, magnified the region's importance. The end of the Cold War left the U.S. dominant in the region, as the sole superpower able to shape the region to further its own goals.

As the final decade of the twentieth century opened, commentators popularised President Bush's reference in September 1990 to a "New World Order" as the successor to the Cold War. The revolution of 1989 in Eastern Europe, together with the economic agony, political instability, military retrenchment and diplomatic disengagement and finally the dissolution of the former Soviet Union, destroyed the bipolar international system that had operated since the end of the Second World War. The world was left with one superpower, which had prevailed in the political, economic and military rivalry with the Soviet Union. However, the achievement of "security" through "victory" in the Cold War resulted neither in the revival of American isolationism nor in the dismantling of the formidable military apparatus that had been constructed

to cope with a Soviet menace that had ceased to exist.²

On the contrary, the Bush administration that took office in 1989 proceeded with unexpected vigour to wield American diplomatic influence and military power against other perceived threats to world stability. A striking instance of this new determination on the part of the U.S. government to use its formidable power was President Bush's forceful response to the invasion and annexation by Iraq of the adjacent, oil-rich emirate of Kuwait in summer of 1990. The Bush administration promptly persuaded the United Nations Security Council to approve extensive economic sanctions against Iraq and later to authorise the use of military force to expel Iraqi forces from Kuwait if they did not withdraw before January 15, 1991. After securing the diplomatic backing of its former adversary in Moscow, the U.S. assembled a military force in Saudi Arabia consisting of NATO allies, together with those Arab states such as Egypt, Syria and Saudi Arabia, that feared the consequences of Iraq's hegemony in the region. After the expiration of the U.N. deadline for the evacuation of Kuwait, the U.S. led coalition launched a devastating air campaign against Iraqi military targets and then a ground offensive into Kuwait and Southern Iraq. The result was a swift military triumph that ejected Iraqi forces from Kuwait.³

Had Saddam been successful the economic status of Iraq

² Ambrose, S.E. "Bush And The Gulf War" in Rise To Globalism: American Foreign Policy Since 1938, Penguin Books, New York, 1991, pp. 381-397.

³ Ambrose, S.E. op.cit., pp. 381-397.

would have been equal to that of Saudi Arabia which together with its population and military forces would have given Iraq strategic dominance in the region as well as posing a direct challenge to the West's, in particular U.S. control of the Gulf's oil. The U.S. could not allow this to stand, it was unwilling to see one person controlling all that oil. As President Bush declared in one of his speeches "our jobs, our way of life, our own freedom and the freedom of friendly countries around the world would all suffer if the world's oil reserves fell into the hands of Saddam Hussein."⁴ With the Iraqi threat diminished, there are many in the U.S. administration who point to Iran as the next big threat to Persian Gulf security.

The dissertation is therefore sensitive to the history of U.S.-Iranian relations. Thus chapter one will outline the history of U.S. involvement in the Middle East specifically in Iran. The purpose of this chapter is to describe the historical developments which have led to the situation in the 1990s, so that the issues and problems in the ensuing chapters can be seen in their historical context.

For the last few decades the United States has been heavily dependent on imported oil, much of it from the Middle East. To be sure, it is not altogether clear, what the U.S. is doing in the Persian Gulf, or Why it is there in such force. However, it is clear that it has something to do with U.S. concern about oil supply. To the U.S. and her industrial

⁴ Goot, M. (ed.) Australia's Gulf War, Melbourne University Press, 1992, p.37.

allies, the threat to energy security now comes from regional powers, and the threat has more economic than military significance.

Chapter two will examine America's interests in the region, why it perceives Iran to be a threat to those interests and the steps it has taken in particular in the area of regional defence to deter that threat.

The foreign policy of any country may be understood and assessed in terms of its national objectives and capabilities. Therefore Chapter three attempts to explain the national objectives of Iran and the bases of Iran's foreign policy, both in its general context and in particular with respect to the United States. Iran is often portrayed as the main source of instability and the leading purchaser of weapons in the Persian Gulf. We are told Iran has tactically and deceptively "sugar-coated" its policy in the Persian Gulf by claiming to co-operate with other countries in the region. Chapter three goes some way into debunking such assessment by arguing that Iran's Gulf policy has recently become moderate and pragmatic in orientation; and that Iran is primarily interested in regional stability, co-operation with other Gulf countries, and protection of its national interest.

HISTORICAL BACKGROUND

INTRODUCTION

This thesis is mainly concerned with issues of the present. However, very few contemporary issues can be understood without some knowledge of their historical background. The purpose of this chapter is to describe the historical developments which have led to the situation of the 1990s, so that the issues and problems analysed in the ensuing chapters can be seen in their historical context. As well as providing a factual survey of events, this chapter will try to give a sense of the overall evolution of the bilateral relationship.

The long period of United States-Iranian relations can roughly be divided into three periods, the late 1930s-1953, 1953-1979, and 1979 to the present. The relations of the first period were flimsy and sporadic, but the U.S. was increasing its presence and influence in the country. This period ended with the 1953 coup.

The relationship of the second period was characterised by America's deep Cold War involvement in the region. After the 1953 coup, Iran under the Shah became a client of the United States and joined the American Cold War alliance system. Iran came to associate itself under American leadership with Western security interests. Over a twenty-five year period, Iran's identification with American security interests was central in the foreign policy calculations of successive American administrations. Even in a period of

reduced Cold War tension the U.S. still valued Iran primarily as a source of security in the Persian Gulf. However, the 1979 Iranian revolution completely altered the relationship, transforming a dependable regional ally to a seemingly implacable foe.

AMERICA AND THE MIDDLE EAST

America long stayed aloof from the European scramble for the Middle East; indeed the U.S. was the last of the world's powers to develop any interest in the region or formulate a policy towards it.¹ U.S interests and activities in the Middle East prior to the Second World War were primarily private in nature, and the U.S. government made few decisions of consequence with regard to strategic or political developments in the region. American interests were limited to portions of the region rather than to its entirety. America's posture towards Iran was characterised by restricted contacts in the educational, charitable, and economic spheres and accompanied by a virtually total political indifference.

World War Two altered and enhanced U.S. interests in the region. Physical presence and strategic involvement in the area gave rise to concerns that ultimately led to the formation of a political and security policy for the area. Oil became a military/political concern, thus making the strategic value of the region more obvious. Soviet and Soviet-sponsored activity in the northern tier of the Middle East immediately after the Second World War contributed to U.S. concern and led

¹ Rustow, D.A. Oil And Turmoil: America Faces OPEC And The Middle East, W.W. Norton & Company, New York, 1982, p.61.

to the formulation of policies designed to contain the Soviet threat. The Truman Doctrine, developed in response to the Soviet threat, became the first major political/strategic U.S. policy statement on the Middle East and presaged future policies.²

THE AZERBAIJAN CRISIS

In 1941, as Hitler's armies advanced into the Soviet Union, Russian and British military forces simultaneously entered Iran and promptly replaced the increasingly pro-German regime of Reza Shah with a more compliant government headed by his teenaged son, Mohammed Reza Pahlavi. According to the terms of the Anglo-Russian-Iranian treaty concluded on January 29, 1942, Russian troops were stationed in northern Iran and British in the south. Both foreign occupation forces, as well as the American contingent that later joined the British troops, were to be withdrawn within six months of the end of the war. Shortly after the cessation of hostilities, the Communist-controlled Tudeh party fomented a separatist revolt in the northwestern province of Azerbaijan bordering on the Soviet Union. The Russian occupation army prevented the Iranian government from suppressing the insurgency by denying

² The Truman Doctrine was the pledge to employ economic resources of the United States to bolster friendly nations all along the periphery of the Soviet bloc that appeared susceptible to pressure from this powerful neighbour or to insurgency by domestic Communist movements connected by ideological affinity to the Soviet Union. The U.S. established a ring of alliances against the USSR with the intent of caging the Communist country and preventing it from spreading out. In the Middle East CENTO was established. It was to bridge the geographical gap between NATO in the West and SEATO in the East.

its military forces access to the rebellious province. A provincial assembly dominated by the Tudeh was elected in Azerbaijan and promptly declared its autonomy, a move that was widely regarded by the West as the first step toward the absorption of the province by the Soviet Republic of Azerbaijan across the border. the Iranian Prime Minister received a set of demands from Moscow which included indefinite retention of Soviet troops in northern Iran, recognition of the autonomy of Azerbaijan, and the formation of a Russian-Iranian joint stock company to develop the petroleum resources of the northern provinces. Eventually after Western protests and support for Tehran the USSR withdrew its troops on the understanding that an oil company with fifty-one percent Soviet ownership would be instituted and Communists admitted to membership in the Iranian government.³

The Iranian Prime Minister Qavam Saltanah had agreed to grant the oil concessions pending Soviet troop withdrawal and approval of the elected Iranian Majlis. Once the troops were out of Iran, however, Qavam successfully reorganised the Cabinet with anti-Communist supporters. In December 1946 the Soviet-supported government in Azerbaijan was ousted and the Majlis rejected the oil concessions.⁴ As Milani points out,

³ Rubin, B. The Great Powers In The Middle East 1941-47, Frank Cass, London, 1980, pp. 162-190.
Saikal, A. The Rise And Fall Of The Shah, Princeton University Press, Princeton, New Jersey, 1980, pp. 32-33.

⁴ Rubin, B. Paved With Good Intentions: The American Experience In Iran, Oxford University Press, New York, 1980, pp. 33-36.

Even if premier Ahmad Qavam's legendary negotiation skills were instrumental in Stalin's decision to withdraw, the Shah and many Americans credited the United States for pressuring the Soviets to withdraw. Washington's and the Shah's almost identical readings of the 'evil intentions of Russian Communism' made them a natural ally. Moreover, the Shah saw in the United States a partner that could fortify his weak position.⁵

In February 1947, the Shah outlawed the Tudeh party after one of its members attempted to assassinate him. During the government crackdown the USSR openly supported the Tudeh Party and Soviet *forces* made several raids across the northern borders of Iran. Fearing an all-out Soviet invasion, the Shah appealed to the U.S. for support. Responding to these and other perceived threats of Soviet expansion in Greece and Turkey, on March 12, 1947 President Truman announced the Truman Doctrine, which proclaimed the U.S. policy to contain the spread of Communism.

The Soviet American rivalry, which had begun immediately after the end of Second World War, made it impossible for an area as strategically important as the Middle East to avoid being drawn into the Cold War.⁶ World War Two had altered and enhanced U.S. interest in the region. Physical presence and strategic involvement in the region gave rise to concerns that ultimately led to the formation of a political and security policy for the area. U.S. core interests in the Middle East were: 1) preventing Soviet dominance and expansion of its power

⁵ Milani, M. "U.S. Foreign Policy And The Islamic Revolution", in Amirahmadi, H. Reconstruction And Regional Diplomacy in the Persian Gulf, Routledge, London, 1992, p.239.

⁶ Mangold, P. Superpower Intervention In The Middle East, Croom Helm, London, 1978, p.10.

and influence in the region;2)assuring the flow of oil at reasonable prices, particularly to its allies;3)curbing Arab radicalism and in sustaining pro-Western regimes;4)ensuring the security and well being of Israel.⁷

The policy declaration was followed by the delivery of \$10 million worth of surplus U.S. military equipment to Iran. As long as the Shah ruled, the provision of military equipment was the centrepiece of U.S. relations with Iran. This embryonic relationship grew stronger when Dr. Mohammad Mossadegh, was overthrown in a CIA/MI6 coup.⁸

MOSSADEGH AND THE STRUGGLE FOR NATIONAL CONTROL

In 1950 the Anglo-Iranian oil company had earned a profit approaching 200 million pounds from its oil enterprises in Iran; of this Iran had received only sixteen million pounds as royalties share of profits and taxes. The company's profit that year alone after deducting the share paid to Iran, amounted to more than the sum of 114 million pounds paid to Iran during the entire past half century.⁹ There was wide spread resentment among the Iranians and it was not just a matter of economics the people were sick of British meddling in their domestic affairs.

Mossadegh responded by proposing the nationalisation of the company's oil fields and refineries. The people were

⁷ Shlaim,A.War And Peace In the Middle East:A Critique Of American Policy,Vikings,New York,1991,p.38.

⁸ Milani,M.op.cit.,p.239.

⁹ Bill,J.A.The Eagle And The Lion:The Tragedy Of American-Iranian Relations,Yale University Press,New Haven,1988,p.63.

enthusiastic and there was widespread support. Consequently when he became Prime Minister in 1951 he acted on his proposal. The most important reason for oil nationalisation was political rather than economic. The primary means through which influence was exerted in Iran involved oil; so with nationalising the oil industry he aimed at freeing the country from great power control specifically the British. As Bill has written, "throughout his political career Mossadegh had one preeminent political preoccupation a thorough opposition to foreign interference in Iran."¹⁰ This is why he believed that foreign concessionaires (i.e the British) had to be removed at all costs and as Rubin says, "the American embassy in Tehran was reporting that Mossadegh had near total support from the Iranian people."¹¹

"The British Labour government at the time, and its immediate Conservative successor in Oct 1951, were equally convinced that to give in to Mossadegh would mean not only the loss of British prestige, but also the crippling of BP and the British economy, since it would also threaten investments and other interests in the Persian Gulf and the Middle East in the face of growing Arab nationalism."¹² Because of Mossadegh's actions the British were determined to get rid of him. They thus prepared the ground work for the destabilisation of his government by imposing economic sanctions which served to undermine confidence and precipitated an economic downturn.

¹⁰ Bill, J.A. op.cit. p.56.

¹¹ Rubin, B., op.cit., p.78.

¹² Saikal, A., op.cit., p.40.

Britain boycotted Iranian oil and the British fleet in the Persian Gulf made sure it was observed. It also reached a secret agreement with the oil companies not to export a single drop of Iranian oil. Mossadegh's nationalisation of oil threatened the interest of Western oil companies. The British managed to convince the U.S. that if he succeeded it could be a precedent for other oil producing countries in the Middle East, thus endangering U.S. interests in the region. That is as Bill suggests, "if Iran could nationalise the powerful British oil company in Iran, then why could not other oil producing countries do the same thing to American companies."¹³

To further strengthen its position the British government chose to use the threat of Communism claiming that Mossadegh had drawn too close to the Tudeh, Iran's Communist Party. Thus they managed to convince the Americans that Mossadegh had to go and that a reliable alternative would be the anti-Communist but pro-Western monarchy.¹⁴

In a Washington meeting of the National Security Council, ~~Secretary of~~ State predicted that Iran would soon be taken over by the Communist that the world would not only be deprived of the enormous assets represented by Iranian oil production but that it would only be a matter of time before the other areas of the Middle East with some 60% of world's oil reserves would fall into Communist control.¹⁵

In wanting to prevent Soviet access to Middle Eastern oil the CIA masterminded a coup that restored the Shah to power.

¹³ Bill, J.A. op.cit., p.78.

¹⁴ Saikal, A., op.cit. p.44.

¹⁵ Yergin, D., The Prize: the Epic Quest for Oil, Money and Power, Simon and Schuster, New York, 1992, p.468.

As the Iranian case clearly demonstrates U.S. interests in the region were global and regional. At the global level the U.S. was engaged in a worldwide struggle for power and influence with the former Soviet Union. At the regional level the U.S. policy was and continues to be a secure access to oil and sufficient production at reasonable prices. After his return the Shah set Iran on a consistently pro-Western course, which it maintained until 1979 when he fell from power.

PERIOD OF CONSOLIDATION

In 1954 the oil dispute was settled. In exchange for the U.S. help in the overthrowing of the Mossadegh government and to ensure the delivery of American aid, the Shah compromised Iranian sovereignty and independence by returning the nationalised oil industry back to the foreigners. Thus the Western oil companies were effectively restored to their controlling place in Iran's oil industry. An international consortium to run Iran's oil industry was set up, forty percent of which went to the U.S.. Iran was the only country in the region where it had previously been excluded. Also as a result of the Shah's dependence on the U.S. in the years that followed Iran's oil production was to be determined not by what was good for the country but as a result of Western demands for greater supply Shah obligingly provided. As Bill points out, "the intervention bought twenty-five more years for the Pahlavi dynasty and enabled the international oil industry to export at favourable terms 24 billion barrels of oil during

this time."¹⁶

From 1953 onwards the Shah's regime required American diplomatic, economic and military support, not so much for protection against external aggressors as for its internal survival. U.S. support was the only prop that kept his regime from falling apart. Since he had no solid domestic base of support he needed the backing of the U.S. to maintain the imposition of his rule.

Large scale U.S. assistance especially economic aid which had been refused to Mossadegh government suddenly became available and on a much larger scale. President Eisenhower, who had only a few months before refused a request for financial aid, now promptly decided to give \$45 million emergency grant to the new government. U.S. bankrolled the Pahlavi government to the tune of \$1 billion between 1953 and 1960. These transfers amounted to \$576 million in economic aid and another \$450 million in military aid.¹⁷

The United States and Iran proceeded to create a special relationship in the political and military sense. In fact, this relationship assumed the proportion of a close partnership, resulting in the establishment of a virtual alliance. In 1955, Iran became a member of the Baghdad Pact, later renamed CENTO, of which the U.S. though a non-signatory, was the main sponsor and with which it closely cooperated through its participation in economic, military and

¹⁶ Bill, J.A., op.cit., p.93.

¹⁷ Bill, J.A. op.cit., p.114.

antisubversive committees.¹⁸ This relationship was further strengthened by the conclusion, in March 1959, of the Iranian-American Bilateral Security Pact. According to Article 1 of the Pact,

In case of aggression against Iran, the Government of the United States of America, in accordance with the Constitution of the United States of America, will take such appropriate action, including the use of armed forces as may be mutually agreed upon and is envisaged in the Joint Resolution to Promote Peace and Stability in the Middle East, in order to assist the government of Iran at its request.¹⁹

For the next two decades the Shah provided the West with a secure ally. Iran became the key guardian of Western interest in the Gulf.

THE NIXON DOCTRINE

In 1968 when Britain decided to withdraw from the Gulf, the U.S. had tired of its peacekeeping burdens. Mired in Vietnam the U.S. judged that its regional allies should bear the burden of local defence, a policy articulated in the 1969 Nixon Doctrine. Essentially, it was associated with Southeast Asia, but the principles behind it were also applied to the Gulf. The Doctrine implied that the United States was "shifting to an indirect projection of power through specified Third world allies."²⁰ This indirect projection of power would be in the form of weapons and economic assistance.

Iran's role in assuring the stability of the Persian Gulf was reflected in the 1972 decision by the U.S. to provide Iran

¹⁸ Bill, J.A. op.cit., pp.116-117.

¹⁹ Bill, J.A. op.cit., p.119.

²⁰ Rubin, B. op.cit., p.128.

with substantial amounts of military equipment, including some of the most advanced and sophisticated in the American inventory, as well as technicians and other advisers for the armed forces. The massive arms sale²¹ to Iran were justified on the grounds that on major international issues the policies of Iran and the U.S. were parallel.

From the American point of view, Iran's willingness to assume increased defence responsibilities in the Persian Gulf region appeared consonant with the general American objective of keeping that region in the state of "tranquillity and stability". This was especially important in the era when conflicts between the two superpowers were often carried on by proxy. It was clearly in the interest of the U.S. to see Iran stronger, better equipped and organised to resist aggression, from whatever quarter it might come. Not only would Iran serve as a buffer against any Soviet aggression in the area, but the Shah was to regulate the Gulf, putting out any regional brushfires.

The relationship was based on some reciprocity. For example, in 1973 the Shah fulfilled the old nationalist dream and took full control of Iranian oil production. Later that year, when OPEC began forcing up the price of oil during the October war, Barry Rubin argues that the Nixon administration requested that the Shah hold down prices.²² Although in a

²¹ From 1969 to 1978 Iranian defence expenditure increased 580 percent. Palmer, M.A. Guardians Of The Gulf: A History Of America's Expanding Role In The Persian Gulf, 1883-1992, The Free Press, New York, 1992, p.89.

²² Rubin, B. op.cit., p.139.

position to do so, he refused.

The American commitment to Iran was clearly immense during this period. The U.S. heavily armed this regional ally which, in turn, was to protect American interests in the region. The greatest irony of all was that the Guardian of the Gulf, both self-appointed and U.S. anointed proved unable to defend itself. Less than seven years after the British withdrawal in 1971 the Gulf was thrown into chaos with the Iranian revolution.

THE IRANIAN REVOLUTION

On the one hand, the U.S. had an apparently powerful and friendly ally; but on the other, the prevailing government of the day was corrupt, undemocratic and lacked nationalist legitimacy. Washington failed to understand that it played an integral part in the Shah's lack of legitimacy. The CIA's role in propping up the Shah in 1953, along with his continued ties to the U.S., led many in Iran to believe that U.S. continued to have direct influence in the Shah's government.

Shah lost legitimacy amongst other things by virtue of his collaboration with the U.S. government. As a result of the circumstances and method of his rise to power he was in a continuous struggle to prove his position of authority. He could not win support among the Iranian people as he was seen as owing his allegiance to a foreign power and not to the people of Iran. He was regarded as a traitor whose regime reflected American interests; his defence program, his economic and oil policy were all considered to be faithful execution of U.S. instructions. This lack of legitimacy among

his people about his kingship led to the uprising of 1978 which led to his fall and flee in 1979. As Razi has written,

Shah fell because he became illegitimate in all different but overlapping major segments of legitimacy in Iran: nationalism, Islam and constitutionalism. He was never regarded as an autonomous and hence legitimate leader of Iranian people because of the manner in which he was established on his throne after having fled to Italy.²³

The departure of the Shah from Iran and the November 1979 hostage taking were the fruits of decades of nearly continuous clashes with European, and then U.S. intervention into Iranian economic, social, political and cultural affairs. Iranian aspirations for political and economic independence, and commitment to political self-awakening, ran counter to the U.S. policies of access to Iranian resources and containment of any radical realignment of Iran's political system. Consequently, decades of diplomatic relations came to an abrupt end. The protracted hostage crisis that bedevilled the last fourteen months of the Jimmy Carter administration dramatically symbolised Iran's assertion of independence from U.S. influence. Saddeq Qotbzadeh, one of Ayatollah Khomeini's closest advisers is quoted as saying that:

one of Ayatollah Khomeini's objectives was to shake the United States to accept Iran's sovereignty and independence and to awaken Iranians to the USA's limited power.²⁴

The revolution in Iran dealt a severe blow to U.S. policy and its position in the Persian Gulf. The Carter

²³ Razi, G.H. "Development Of Political Institutions In Iran And Scenarios For The Future" In Ahmad Jabbari and Robert Olson (eds.) Iran: Essays On A Revolution In The Making, Mazda Publishers, Kentucky, 1981, p.64.

²⁴ Milani, M. op.cit., p.254.

administration was slow to react to the abrupt transformation of Iran from one of the major pillars of U.S. policy in the region to an adversary. To a large extent, this was because the ultimate outcome of the revolution and its impact on U.S. policies and interest in the region were still unclear by the time taking of U.S. hostages overshadowed other aspects of the revolution. It was not until after the Soviet invasion of Afghanistan in December 1979 that the Carter administration focused on the problem created by the loss of Iran.

The U.S. view of Iran and Saudi Arabia as the "twin pillars" providing stability for the Persian Gulf region proved illusory as the revolution in Iran changed the government from one friendly to the U.S. to one hostile to it. Iran's pro-U.S. government, which had provided a modicum of stability in the gulf, was replaced by a regime whose policy was interpreted as to promote instability and the overthrow of neighbouring regimes. The revolution, and the taking of U.S. hostages, dramatically altered U.S. policy.

At the same time U.S. policy was faced with another dilemma; the Soviet Union's invasion of Afghanistan in december 1979. The Afghanistan invasion led to the Carter Doctrine.

Let our position be absolutely clear: an attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interest of the United States of America, and such an assault will be repelled by any means necessary, including military force.²⁵

Declaring the gulf a region of vital significance and the U.S.

²⁵ Palmer, M.A. op.cit., p.106.

willingness to take military action, if necessary, to counter the Soviet Union, were important new dimensions on U.S. policy. Although the Carter Doctrine was applauded for recognising the potential threat of Soviet control of the West's oil supply in the Persian Gulf, critiques charged that it did not address threats to U.S. interest emanating from inside the Gulf and thus it could not guarantee access to the region's oil supplies. The outbreak of hostilities between Iran and Iraq less than a year after the enunciation of the doctrine appeared to bear out the charge.

THE IRAN-IRAQ WAR

The initial reaction of U.S. policy makers to the war between Iran and Iraq was that U.S. interests would not be served by a decisive victory by either side. The U.S. government believed that an Iraqi victory that brought down the Khomeini regime could well pave the way for Soviet penetration of Iran. At the same time, an Iranian victory would increase the "Islamic fundamentalist threat" to the other oil producing states in the Gulf. In either case, the victor might well become the preeminent power in the region, asserting its influence over the Gulf states. However at the same time Washington was particularly concerned that Iran might take action against the smaller Gulf principalities because of their support for Iraq.²⁶

The Reagan administration sought to reassure U.S. friends

²⁶ Hooshang, A. (ed.) The United States And The Middle East: A Search For New Perspectives, State University of New York Press, Albany, 1993, pp.222-223.

in the region that the U.S. would stand by their side. Reagan agreed with his predecessor's assessment that the longer the war went on the greater the risk that either Iran or Iraq would escalate the fighting and interfere with freedom of navigation in the Persian Gulf or act in other ways that would restrict oil exports. Consequently both belligerents were warned against interfering with the flow of oil.

After initial gains the Iraqi invasion ground to a halt, starting in April 1982, Iraqi forces suffered a series of reversals and by mid June they were forced to retreat. The revival of the "Islamic threat" compelled the U.S. to adopt more assertive policies to contain its spread. The most significant action was the rapprochement with Iraq. The aim of this initiative, referred to as "tilting toward Iraq", was to pressure Iran to end the war by accepting a ceasefire. The U.S. was responding to what it perceived as the growing threat to regional stability from the "radical" Islamic regime in Tehran. The administration believed that U.S. interests would suffer a major setback if Iran defeated Iraq. It also believed that an Iranian victory would produce an extremist Islamic fundamentalist government in Baghdad that would become a threat to those Gulf states with ties to the United States. In November 1984 formal relations between Baghdad and Washington were reestablished after a seventeen year break.²⁷

The tilt toward Iraq was not supported by all members of the Reagan administration. Officials who believed containment

²⁷ Hoogland, E. "The United States And Iran, 1981-1989", In Ehteshami, A. (ed.) Iran And The International Community, Routledge, London, 1991, pp. 35-39.

of the Soviet Union was a priority feared an obvious pro-Iraqi position could drive Iran into the Soviet camp. They were convinced that Tehran and Washington shared a common interest in keeping Moscow's influence in check; Baghdad in contrast, historically had assisted Soviet penetration of the region. Consequently, they obtained Presidential authority to establish covert contacts with the Iranian government. During much of 1985 and 1986, the U.S. effectively pursued two simultaneous and contradictory policies in the Persian Gulf. Publicly it opposed the continuation of the Iran-Iraq war, cultivated its new relationship with Iraq, and reassured its regional allies of its commitment to contain Islamic revolution. Clandestinely, however, the U.S. negotiated with Iran for the release of U.S. citizens being held as hostages in Lebanon, and for the sales of U.S. made weapons. The unexpected revelation of these secret deals in November 1986 deeply embarrassed the U.S.²⁸

The revelations about covert arms sales to Tehran ultimately had the effect of ending the ambiguity in U.S. policy. Those who had advocated the containment of Iran were given an opportunity to formulate a more activist policy. One manifestation of this policy was the Reagan administration's decision to reflag Kuwaiti tankers thereby entitling them to U.S. naval protection. This decision followed the May 1987 attack, when an Iraqi warplane apparently in error, fired an

²⁸ Hunter, S.T. *Iran And The World Continuity In a Revolutionary Decade*, Indiana University Press, Bloomington, 1990, p.66.
 Palmer, M.A. *op.cit.*, pp.112-127.
 Hoogland, E. *op.cit.*, pp.39-42.

Exocet missile at an American frigate resulting in the death of thirty-seven U.S. *sailors*. By a twist of logic Iran was blamed for the Iraqi attack. The U.S. decided to significantly increase its presence in the Persian Gulf. To the Iranian leadership, U.S. military posturing meant that the U.S. was continuing its hostile counter-revolutionary policy and apparently intended to use every means at its disposal to destroy Iran.²⁹

The significant increase in military activity inevitably led to direct confrontation between Iran and U.S., "culminating in a major naval battle in April 1988, when the U.S. Navy destroyed a substantial portion of the Iranian Navy, and the shooting down by the USS Vincenne of an Iranian civilian airline."³⁰ As a result of pressures resulting from military intervention, and its activities in the U.N. the United States was able to achieve its objective when in July 1988 Tehran finally agreed to a ceasefire. Iran under Ayatollah Khomeini had accepted the peace proposal, which was considered to be a humiliation, the poison had been swallowed. From Washington's perspective, this situation, a stalemate was the most desirable outcome to the war. Neither country had achieved a victory or been defeated. However Iran remained more than ever suspicious of the United States.

THE PERSIAN GULF WAR

During the latter part of 1989 and first half of 1990

²⁹ Hunter, S.T. op.cit., p.68.
Hoogland, E. op.cit., pp.42-43.

³⁰ Hooshang, A. op.cit., p.230.

Iran strove to normalise its relations with most of Washington's allies, including the Arab states of the Persian Gulf and the countries of Western Europe. Tehran had just restored formal diplomatic ties with Kuwait when it was invaded by Iraq. Iran denounced the Iraqi action but proclaimed its neutrality. The United States was concerned about the Iranian reaction to its military intervention in the Persian Gulf. This concern was heightened when Saddam Hussein suddenly decided to offer Iran peace on its terms. Tehran and Baghdad reestablished diplomatic relations and began the long-delayed exchange of prisoners of war. U.S. concerns that Iran would somehow try to sabotage the war effort against Iraq proved to be baseless. Although Tehran persistently condemned the U.S. military intervention, it just as persistently called for Iraq's withdrawal from Kuwait. In addition, Iran continued to honour the UN-mandated economic boycott of Iraq. After Iraq's defeat, Iran opposed the continued U.S. military presence in the region. Iran's stated position has always been that outside powers should not intervene in the security affairs of the Persian Gulf but should accept the right of local states to manage their own defence.

CONCLUSION

The post-1979 problems between Iran and the United States were the direct consequence of U.S. intervention in Iran during the regime of the Shah. By 1953, there was widespread concern in Washington that Iran might become part of the Soviet bloc. When Iranian nationalists were trying to end the British government's control of Iran's oil industry and also

were attempting to curtail the autocratic powers of the Shah, U.S. policy makers erroneously perceived Iran's internal political conflicts as instability provoked by Communist subversion. This perception led the U.S. to collaborate with Britain in carrying out the 1953 coup. The reinstallation in power of the pro-Western, anti-Soviet Shah proved to be a blessing for American interests. By 1970, Iran was perceived as a model of stability, and its ruler, as the U.S. policeman of the Persian Gulf.

The U.S. intervention in Iran after 1953 took the form of supporting the Shah, initially through economic and military assistance and then through massive transfers of sophisticated arms for which the Shah paid cash. As the U.S. progressively became identified with the unpopular political and military policies of the Shah, the Iranian perception of the U.S. as a country of positive, democratic values was seriously undermined. By the 1970s, the image of the U.S. among those Iranians disaffected with the royal dictatorship was that of a superpower exploiting Iran's resources and strategic position for its own benefit. The Shah's opponents accused him of being little more than a U.S. puppet, a leader serving the interests of U.S. economic and military interests to the detriment of Iran.

Inevitably , the Shah was toppled. Because he had been widely perceived as a puppet of the U.S., anti-American sentiment tended to be closely intertwined with the anti-Shah feeling. Officials in the U.S. administration, however, were no more ready after the revolution to acknowledge a legitimate

basis for this animosity, a crucial first step in reaching a diplomatic reconciliation than they had been to recognise it before the fall of the Shah. The long relations between Tehran and Washington had begun with the image of a "friendly" U.S., however, it ended with the image of a "satanic" power.³¹

Having outlined U.S.-Iranian relations, the focus of the following chapter will be U.S. interests in the Persian Gulf, the new security arrangement it has installed to protect those interests and why it sees Iran as a threat to those interests.

³¹ The above conclusion is based on reading the following two books:

Rubin, B. Paved With Good Intentions: The American Experience And Iran.

Bill, J. A. The Eagle And The Lion: The Tragedy Of American-Iranian Relations.

AMERICA AND THE PERSIAN GULFINTRODUCTION

The focus of this chapter will be Washington's approach to Persian Gulf security. The region has been considered by successive American Presidents since World War Two as vital to U.S. strategic and economic interests. Both the location and the oil wealth of the area have played an important role in U.S. global strategy. Before the end of the Cold War the Carter Doctrine affirmed the United States' willingness to protect the Gulf oil supply at all costs, including possibly of going to war with the Soviets. In the post-Cold War period, the Gulf crisis prompted by Iraq's invasion of Kuwait in 1990 brought into sharper focus the importance that America and her Western allies have attached to the question of oil security that the Gulf represents. The Persian Gulf security has become the top priority interest of the U.S.. With the Soviet demise, Washington is free from previous constraint about a direct military presence and the use of force.

The primary objective of American policy in the area has been the establishment of American dominance; Washington wants to control a politically volatile region which is of great strategic interest to it. As Saikal argues, The "unipolar security system" set in place by the former President George Bush is central to Bill Clinton's Middle East strategy. The system is not only intended to safeguard America's friends in the region but also to ensure the expansion of U.S. influence and power in the Middle East.

The four key, interrelated objectives of Clinton's

strategy were outlined in a policy statement as (1) to protect U.S. allies and interests- most importantly "the free-flow of...oil at reasonable prices"from the region;(2)to enforce a "dual containment" of Iraq and Iran;(3) to promote an Arab-Israeli peace, on the basis o of a linkage between this and the second objective;and (4) to stem "the spread of weapons of mass destruction and promote a vision of a more democratic prosperous region for all the peoples of the Middle East."¹

Washington hopes to promote "peace" and "security" in the region. However, rather than engaging in confidence-building measures and use of arms controls it has embarked on a policy of containment [a policy very similar to that used in the Cold War to isolate the former Soviet Union]. It has taken steps in improving its force projection capabilities, and expanded the U.S. military presence in the region. Second, and equally critical leg of U.S. strategic framework is based on American efforts to elicit regional State cooperation, especially that of Saudi Arabia.

U.S. INTERESTS IN THE PERSIAN GULF

The principal U.S. interests in the Gulf has long been its oil resources. Two-thirds of the world's know reserves are in the Gulf area; four countries:Saudi Arabia, Iraq, Iran and Kuwait share about fifty percent of all the oil reserves on the planet. While oil continues to be found elsewhere, the location of new fields increases faster in the Gulf region and the costs of bringing it on stream are very much lower.²

¹ Saikal,A."The American Approach To The Security Of The Gulf",in Danspeckgruber,W.(ed.)The Iraqi Aggression Against Kuwait:Strategic Lessons And Implications For Europe,Westview Press,Boulder,1996,pp.179-180.

² Baghat,G."The American Dilemma In The Gulf Region",Journal Of South Asian And Middle Eastern Studies, Vol.XIX,no.1,Fall 1995,p.59

Richard Nixon has been quoted as saying:

Now that its oil is the lifeblood of modern industry, the Persian Gulf region is the heart that pumps it, and the sea routes around the Gulf are the jugular through which that lifeblood passes.³

Given America's and the West's dependence on oil, and the sensitivity of their economies to changes in energy prices, Western governments do not want to see Gulf oil supplies monopolised by hostile powers or prices manipulated to their disadvantage. Equally Western governments led by Washington do not want the flow of oil from the Gulf impeded by violence or war.⁴

No less important than the natural resource requirements in the Gulf are its financial resources. The countries of the Gulf today provide vital support for the international monetary system. Their capital investment in Europe and the U.S. has been and remains an enormous contribution to the dynamism of the Western economies. The role of the Gulf States, particularly Saudi Arabia, in maintaining the value of the dollar and the maximum degree of financial stability cannot be overlooked. This is not an altruistic situation on either part rather financial cooperation is vital to both the West and the Gulf States. As Gause argues America enjoys significant financial benefits from its close relationship with the Arab monarchies of the Gulf:

At an April 1993 meeting in Washington on American-Gulf business links, sponsored by the U.S. Department of

³ Sayeed, K.B. Western Dominance And Political Islam: Challenge And Response, State University Of New York Press, Albany, 1995, p.21.

⁴ Baghat, G. op.cit., p.59.

Commerce, the Gulf Cooperation Council, and the American-Gulf Chamber of Commerce, it was reported that direct Gulf investment in the United States totalled \$407 billion as of the beginning of 1992. It is unlikely that other types of regimes in these states would commit so much of their financial resources to the West in general and the United States in particular.⁵

The strategic significance of the region resulting from its geographic location has also generated U.S. interest. Located at the hub of Europe, Asia and Africa, the Middle East is a crossroad and a bridge. Unimpeded transit utilising the air and sea routes that cross the region and constitute significant global communication links is also an interest of the U.S.

THE NEW REGIONAL SECURITY ARRANGEMENT

The invasion of Kuwait had convinced Washington that prior arrangements for Gulf security were clearly inadequate. The lead in creating a new structure would have to be taken by local states, but protection of U.S. interests in the area dictated close U.S. involvement. Consequently in the immediate aftermath of the Gulf campaign, President George Bush outlined a new vision for peace and stability in the Middle East. In an address to a joint session of Congress, on 6 March 1991, he defined four challenges which he believed would have to be met. The first concerned Gulf security, he said, there would have to be a collective effort "to create shared security arrangements in the region". The primary responsibility for regional security would rest with the Middle Eastern states

⁵ Gause, F.G. Oil Monarchies: Domestic And Security Challenges In The Arab Gulf States, Council On Foreign Relations Press, New York, 1994, pp.180-181.

themselves, he said, but that U.S. was ready to help:

This does not mean stationing U.S. ground forces in the Arabian Peninsula, but it does mean American participation in joint exercises involving both air and ground forces. It means maintaining a capable U.S. naval presence in the region, just as we have for over 40 years. Let it be clear: Our vital national interests depend on a stable and secure Gulf.⁶

Soon after the War ended, the Arab members of the multinational coalition produced a new plan for Gulf security, known as the Damascus declaration. In their declaration, the six members of the Gulf Cooperation Council (Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman), together with Egypt and Syria, pledged to build on their wartime alliance to create a new framework for economic, political and military cooperation.⁷ As originally conceived, Egypt and Syria would provide military weight to the GCC, in return for economic aid from the oil-rich Gulf states. All would stand together in defence of the sovereign rights and territorial integrity of states in the region. In the weeks following the signing the declaration it became apparent that the GCC states were having second thoughts about long-term military arrangements with Egypt and Syria. The prospect of Egyptian and Syrian troops permanently based on their soil apparently made the Gulf states especially Saudi Arabia nervous. In addition Iran was quick to inform the GCC states

⁶ Hassan Hamdan Al-Alkin, The GCC States In An Unstable World: Foreign Policy Dilemmas Of Small States, Saqi Books, London, 1994, p.141.

It must be noted that since this speech was made, there has been a change in U.S. policy, a limited number of American forces are presently stationed in Kuwait and Saudi Arabia.

⁷ Gause, F. op.cit., pp.129-130.

that it would regard the establishment of an exclusive Arab security structure for the Gulf as implicitly hostile. Tehran was especially irritated by the idea of Egypt assuming a prominent role in the Gulf defence. In the end, the foreign ministers of the eight countries decided that the Damascus declaration would be implemented by each country according to its pursued policy. There would be no joint force, but each country could seek military help from its allies in time of crisis.⁸

This came as a disappointment for the U.S. and its Western partners. Consequently Washington pushed for a U.S. dominated system which has actually come into being. The new arrangement has two component: the presence, either in the region or over the horizon of American military forces; and a substantial strengthening of the defence forces of the GCC member states."The system essentially rests on the notion of one major power taking responsibility for the security of a number of small and vulnerable allies within a vital but at the same time highly unpredictable region. In return, these allies are required to provide effective political, financial, and infrastructural support for the major power, so that it can act as the external guarantor of their security with the highest degree of impunity whenever threat arises. The system is structured into three interlocking levels: an alliance between the regional constituents, bilateral security pacts between each regional member and the major power, and an overall regionally based command center and defence network

⁸ Hassan Hamdan Al-Alkin, op.cit., pp.141-142.

shared by the major power and the regional allies as a whole."⁹

Accordingly the U.S. has sought separate defence agreements with each of the conservative Arab Gulf states, and has actually concluded some like the one with Kuwait, which grants the U.S. the right to stockpile military equipment and ammunition in that country, to train its military forces, and to hold joint military exercises with those forces. The GCC states are expected to buy large amounts of American weaponry, in fact during the past five years large sales have been announced. American forces will have access to these weapons as well. As Baghat remarks, "in 1993, nearly 80 percent of American arms sales came from two major deals involving advanced weapons. Saudi Arabia bought 72 F-15 fighter jets from the McDonnell Douglas Corporation for \$9.5 billion. Kuwait bought 256 M1-A2 battle tanks from the General Dynamics Corporation for \$2.2 billion."¹⁰

Saudi Arabia is expected to play a major role in strengthening the defence forces of the Gulf states. Saudi Arabia is seen as an essential security partner in U.S. efforts to create a new security system. While the Kingdom's military resources do not compare in size with those of Iran and Iraq and probably never will, they have steadily developed and today have a considerable defensive capability. Saudi Arabia remains the only one of the three major Gulf countries that is committed to "stability and security" in the Gulf and

⁹ Saikal, A.op.cit., p.181.

¹⁰ Baghat, G.op.cit., p.67.

its western orientation. While avoiding the signing of a comprehensive defence pact with the U.S., the two countries have settled on a fifteen year old military training agreement as the legal framework upon which to base their expanded strategic cooperation, defence procurement and training arrangement.¹¹

The new security arrangements benefit the United States in a number of significant ways:

It will give the United States legitimacy and the operational capacity to monitor, sanction, isolate, and finally punish those forces and movements within and on the peripheries of the region that adopt policy stands contrary to its own. It will enable the United States to act as over the horizon guarantor of regional security with little troop visibility on the ground. It will place it in full control of the weapons systems that it deploys. It will help Washington to deter its regional allies from requiring nuclear weapons and other arsenals of mass destruction. The system will require minimum financial contributions from the U.S. but maximum expenditures by the regional members to maintain the necessary infrastructural support for the alliance and U.S. operational readiness at the regional level. Last but not least it will help Washington to maintain, rather than diminish, its strategic alliance with Israel.¹²

CONTAINING IRAN

The United States views both Iraq and Iran as threats to Persian Gulf security, and Iranian-Iraqi rivalry as detrimental to regional stability as long as neither country is part of a U.S.-led alliance nor ready to participate in such an alliance on terms acceptable to the U.S. In this context, from Washington's perspective, the ascendancy of either power not only leads it to seek dominance over its main

¹¹ Wilson, P.W. Saudi Arabia: The Coming Storm, M.E. Sharpe, New York, 1994, pp. 92-95, 123-125.

¹² Saikal, A. op.cit., pp. 182-84.

rival, but to extend its influence to the GCC as well.

In Washington there is fear that the Iranian government may be embarking on the same path followed by Saddam Hussein at the end of the 1980s- rearming, building a nuclear bomb and hoping to intimidate the GCC states into towing its line on oil policy.

The fear of Iran has existed ever since the revolution which culminated in the fall of the Shah and the assumption of power by Ayatollah Khomeini. Iran directly challenges the ongoing attempt by the U.S. to shape the world according to its own image and priorities. It has an ideological regime that continues to see Washington as the "Great Satan"; a population of 63 million; considerable oil and gas reserves; the Bushehr nuclear reactor deal with Russia; and growing military contacts with China. Washington rejects Iran's rights to self-determination and has tried to isolate it diplomatically and strangle its economy.¹³

Back in 1996 the right-Wing speaker of the U.S. House of Representatives Newt Gingrich asked for a \$A32 million covert action program to be launched against the Iranian regime, describing Iran as a "new evil empire" and calling for its overthrow.¹⁴ In May 1995 before the World Jewish Congress, President Clinton imposed a unilateral trade and investment embargo against Iran. The trade sanctions were followed in

¹³ Laipson, E. & Cottom, R. "Symposium: U.S. Policy Toward Iran: From Containment To Relentless Pursuit?", Middle East Policy, Vol. 4, nos 1&2, September 1995, pp6-7. Sayeed, K.B. op.cit., p.22.

¹⁴ Bamdad Weekly, February 17, 1996. (An Iranian newspaper published in Sydney)

July 1995 by the formation of the Fifth fleet to patrol the Persian Gulf and police Iran. The new fleet is the first to be created by the U.S. since the Second World War. As Tarock points out:

While Clinton's predecessors maintained some sort of dialogue with Iran, President Clinton appears to be interested only in containing and confronting Tehran. Iran's view of President Clinton's trade ban on Iran was expressed by the Speaker of the Majlis , Nateq Nouri, thus:"No government in the U.S. history has sided with Israel as much as the Clinton administration...for [at present] the supporters of Israel in Washington are very powerful."¹⁵

The fact that President Clinton chose to announce his trade embargo at a meeting of Jewish Congress in New York points to the fact that U.S. policy towards Iran is influenced by external powers. Israel has repeatedly expressed alarm at Iran's nuclear potential and drawn attention to continued Iranian support for Hezbollah in Lebanon, opposition to the peace process and assistance to the Palestinian Islamic Resistance Movement, Hamas. Some GCC states have also expressed their fear regarding the so-called Iranian ambitions to dominate the region and point to the incidents on Abu Musa and Tehran's acquisition of submarines from Russia.

Ironically, even tragically, the hardening U.S. policy toward Iran has coincided with the emergence of more moderate and pragmatic tendencies in Iran's foreign policy. Although U.S. academic experts on Iran have tried to draw attention to this development, it has largely been ignored by U.S. officials.

Washington, for political and ideological reasons, is

¹⁵ Tarock, A.op.cit., p.150.

highly exaggerating Iran's military and political power and hence its perceived threat to the Persian Gulf and the Middle East in general. The Clinton administration's assumptions about Iran are not based on the realities of Iran's foreign policy in the 1990s, but on the outdated assumptions that Washington had of Iran in the Khomeini era.¹⁶

This issue will be examined in detail in the proceeding chapter.

ALTERNATIVE SECURITY ARRANGEMENT

The current definition of "security" by the United States in narrowly militaristic arrangements does not bode well for stability in the Persian Gulf region. A much broader definition of "security" encompassing economic, political and many other factors need to be seriously taken into consideration.

The present American policy is to harness the region to its needs and wants, its "military protection" serves its desire to promote its own set of military corporate interests. In a region that is the most heavily armed in the world successive U.S. administrations have stated that they would like to see smaller arsenals on all sides. However, Washington has continued to rearm its friends heavily.

The broad rationale in the U.S. is that local friendly states must be equipped with the means to "protect" themselves, as far as possible with U.S. weaponry. However such actions by the U.S. under the banner of security will exacerbate the existing arms race in the region. The \$300 billion in sales of all types during the 1980s to the Persian

¹⁶ Tarock, A. op.cit., p.150.

Gulf region which culminated in two devastating wars should underscore the bankruptcy of such a "security" policy. The military "threat" to the Gulf states by Iraq and Iran has come into existence only as a result of virtually unrestrained massive arms and technology transfers by the industrialised nations. The current American insistence on a foreign military presence, combined with increased arms transfers to the Arab Gulf states and Israel, will only lead in turn to a greater determination by the two large Gulf nations to further militarise.

In post-war Europe France, Germany and other European powers came to the conclusion that military means were no answer to their respective countries' security concerns and thus moved to establish the European Community, integrating the countries of Europe, economically and politically. Similarly the countries of the Persian Gulf and the Middle East are no less capable of implementing such arrangements. While the concept of a Persian Gulf Community might be some way off, confidence building measures can now be put forward which seek to overcome the economic, political and other problems that face the region. It is only through solving these issues that real peace, stability and genuine security will take root in the Persian Gulf region.

CONCLUSION

Following the Persian Gulf war, the United States has moved rapidly to assert its dominance in the region. Where vital interest are concerned, the U.S. has made clear that it will continue to practice coercive diplomacy tightly tied to

the military in asserting deterrence, compellence and reassurance. Under the facade of making the Saudis the new guardians of the Gulf U.S. forces along with their Western allies are mounting a new colonial presence.

The current U.S. policy promotes competition not co-operation. The record clearly indicates that past collective security arrangements in the Gulf failed largely because of their exclusionary features, to remedy such shortcomings, new approaches are required. Unfortunately this seems very unlikely in the near future. Avi Shlaim describes the current situation quite well:

President George Bush tried to present American hegemony as the foundation of collective security and the rule of law in international affairs. The Gulf war, he claimed, ushered in a New World Order. But Bush's claim exceeded the reality. The new order reflected the interests of the victors rather than any universal principles of justice or morality. Its hall-mark, like that of the old order, was defense of the status quo. America emerged as the principal guardian of the Gulf.¹⁷

In the following chapter I will examine the changes in Iran's foreign policy following the *Iran-Iraq War of 1980*, and the death of Ayatollah Khomeini in 1989. I will also endeavour to establish whether the charges put forward by Washington against Iran are valid or not.

¹⁷ Shlaim, A. War And Peace In The Middle East: A Critique Of American Policy, Vikings, New York, 1994, pp. 8-9.

IRAN A THREAT?INTRODUCTION

The purpose of this chapter is to show that Iran's Gulf policy has become more moderate and pragmatic in orientation and that exporting revolution is no longer Tehran's main goal. In fact Iran is primarily interested in regional co-operation and stability in order to concentrate on the reconstruction of the country's economy.

With a population of sixty~~five~~^{six} million and vast natural resources, Iran is as important in regional as well as world politics as it was during the Shah's reign. The difference is that whereas Iran was then viewed, by and large, as a stabilising force before the revolution, it is today regarded as meddlesome, ideological state bent on exporting its brand of revolutionary Islam worldwide. " The demonisation of Iran by successive U.S. administrations and the media has been so successful that any attempt at offering a more balanced view of Iran is almost certain to be construed as an apology for a "backlash", "rogue" and an "outlaw" state, words used by U.S. officials to describe Iran."¹ Throughout the 1980s, the "radical" foreign policy of Iran was seen as the major threat to the interests of both Western governments and conservative Arab states in the Gulf area. However, in 1990, Saddam Hussein's attempted annexation of Kuwait shifted the focus of the threat from Tehran. Today, anxiety is again gathering over

¹ Tarock, A. "U.S.-Iran Relations: Heading For Confrontation?", Third World Quarterly, Vol. 17, no. 1, 1996, p. 149.

Iranian behaviour and intentions.

The foreign policy of Iran is a very complex one, since Iran holds the distinction of being the only country where "revolutionary" Islam has thus far succeeded. "The tensions between revolutionary aspirations on the one hand, and the pragmatic requirements of conducting the affairs of the state and of dealing with the outside world on the other has deeply affected and coloured its international behaviour."²

Khomeini's reign during the 1980s was dominated by Islamic radicalism, revolution and war. Khomeini's world view was very important to the international relations of Iran. He saw the world as being divided into two different areas. The oppressor countries and the oppressed countries. He believed that the superpowers were the source of all the world's problems since both did things for no other reason than power. The Iranian leader wanted Iran to be independent from both the East and the West. Iran adopted an independent and non-aligned foreign policy and encouraged all oppressed muslim nations to throw off the chains of dependence and become free. Khomeini sought to exploit the superpower rivalry in the Persian Gulf and rebuffed Soviet and American overtures to his government. Given his desire to spread his brand of Islam through the Persian Gulf, he supported several attempts to destabilise the regimes in Saudi Arabia, Kuwait and Bahrain in late 1979 and

² Hunter, S.T. *Iran And The World Continuity In A Revolutionary Decade*, Indiana University Press, Bloomington, 1990.

early 1980.³

Following Khomeini's death Hashemi Rafsanjani took over the reigns of power and has worked to get Iran back on its feet after the devastating eight-year war with Iraq. He has promoted a more pragmatic agenda for both domestic and foreign policy issues. It is this agenda that will be examined in the remainder of this chapter.

THE IRANIAN REVOLUTION AND THE GULF STATES

The relations between the Arab rulers and the Shah were never entirely devoid of rivalry and suspicion. Saudi Arabia and Iran, the two complementary pillars of the U.S. Gulf strategy, were themselves regional competitors. However, maintaining the status quo was the common broad aim within which the rivalries were contained.

With the Shah's departure from the scene, the situation changed drastically. Whereas the post-revolutionary Iran retained the element of dominance with even an enhanced menacing posture, the element of preserving the status quo was thrown overboard. The net result was an almost total strangement of Arab-Iranian relations.

The Iranian clergy had seen the energy of the revolution and intended to use it in Iran and abroad. The Shiite theocratic regime of Iran was the antithesis of the conservative, Sunni monarchies of the Persian Gulf region.

³ Gerd Nonnemann "The GCC And The Islamic Republic: Towards A Restoration Of The Pattern", In Ehteshami, A. (ed.) Iran And The International Community, Routledge, London, 1991, p.103.

Along with the ascension of the Ayatollah Khomeini and attempts to legitimise the regime came the calls for the overthrow of the Gulf monarchies and the establishment of true Islamic states. It was accompanied by token financial and technical support for opposition movements on the Arabian Peninsula. In addition to the calls for the overthrow of Gulf monarchies, the Islamic republic attacked the legitimacy of the Saudi royal family's control over the holy places of Islam.⁴

The presence of sizeable Shiite populations in many of these sheikhdoms, coupled with inflammatory rhetoric from Iranian officials truly frightened the fragile and conservative sheikhdoms of the region. Led by Saudi Arabia, they took the position that the regime in Tehran had to be contained. According to Saudi thinking, the best way they could achieve this objective was to strengthen their military forces and provide military assistance to the other Persian Gulf monarchies which had very small populations and very weak military forces. They looked to the U.S. to provide them with the advanced weaponry, but before anything substantial came from the U.S. the Iran-Iraq war had begun.⁵

The Khomeini revolution which was a blend of Iranian nationalism and Islamic puritanical internationalism, appeared poised to seek the establishment of an equally

⁴ Murden, S. Emergent Regional Powers And International Relations In The Gulf: 1988-1991, Ithaca Press, London, pp. 20-24.

⁵ Ahrari, M.E. "Iran, GCC And The Security Dimensions In The Persian Gulf" In Amirahmadi, H. & Entessar, N. Reconstruction And Regional Diplomacy In The Persian Gulf, Routledge, London, 1992, pp. 194-195.
Murden, S. ibid., pp. 20-24.

puritanical Islamic order in the Gulf region. The Shah had left a highly elaborate military infrastructure and armed forces that had decisive qualitative edge, both in terms of armament and military training over the armed forces in the Gulf countries. Khomeini's Iran made abundantly clear its ambitions to adopt measures that would alter the political order in the Gulf. Naturally, the peninsular sheikhdoms were not willing to take a passive view of the Khomeini revolution.⁶

Saudi Arabia and the conservative Gulf states formed the Gulf Cooperation Council in 1981 to fend off the Iranian threat. Iran was seen as the most threatening power in the region. These states, especially Saudi Arabia and Kuwait lubricated the Iraqi war machine with their generous financial contributions, estimated at over \$35 billion. The eight year of attrition cost billions in material damage and loss of over half a million lives of Iran's youth, some two million injured and impaired, and made millions more homeless.⁷

IRAN'S ECONOMY

The Iran that Khomeini left to his successors was far different from the one he had taken away from the Shah. Iran was a state which was internationally isolated and possessed of a tarnished image and a devastated economy. The most important issue in Iran is the economy. Economic stability will have to be achieved before Iran undertakes any major foreign policy initiatives. The economic concerns expressed during the Iranian revolution were not answered during the 1980s. The economic problems have become a major concern for

⁶ Ahrari, M.E. op.cit., p.194.

⁷ Gause, F.G. Oil Monarchies: Domestic And Security Challenges In The Arab Gulf States, Council On Foreign Relations Press, New York, 1994.

the regime.

The Iran-Iraq war hampered Khomeini's attempts at economic stability. The war severely drained the economy and led to shortages of basic consumption goods, increases in unemployment (around 17%) and inflation (5-10% per month). The entire population was mobilised for the war, moreover, government spending on the war effort was increased at the expense of many domestic programs. Khomeini's revolution failed to promote economic growth in Iran. Instead, he prolonged the economic chaos. The per capita income of the population has declined by 50 percent, since the establishment of the Islamic Republic in 1979, while during the same period the population has grown by over twenty million.⁸ This has had a dramatic impact on the living standard and will continue for some time to come.

Khomeini left his successor the task of completing the Iranian revolution. Hashemi Rafsanjani was left with the challenge of rebuilding the economy and restoring some sense of stability to Iran. There are two issues which are prevalent in Rafsanjani's and his advisers' policy options. First, Rafsanjani has instituted the policy of producing five-year economic plans in Iran. Second, the Iranian economy will need foreign assistance in order to achieve growth. The first five-year development plan (1988-93) was based on attracting foreign capital, importing modern technologies, increasing oil revenues, and borrowing US\$27 billion on the international

⁸ Amirahmadi, H. "Iran's Development: Evaluation And Challenges", Third World Quarterly, Vol. 17, no. 1, 1996, p. 129.

market.⁹ However without major changes in Iran's foreign policy, Rafsanjani's economic plan would have certainly failed. He therefore began pursuing a cautious rapprochement with the west and improved relations with all of Iran's neighbours.

IRAN'S FOREIGN POLICY

The Iranian leadership's special attention to the country's economic reconstruction and the forging of foreign economic linkages has resulted in new emphasis on economic diplomacy. In turn, the high priority attached to developing foreign economic co-operation has necessitated the repair of Iran's international image. As Hunter states,

They have slowly realised that they cannot operate outside the international system, no matter how corrupt and unjust that system may be. In effect, Iran has been going through the same process of adjustment to the international system that other revolutionary governments have experienced. This adjustment has not meant the abandonment of revolutionary goals; but it has often meant putting the requirements of national survival first and adapting revolutionary goals to them.¹⁰

The essence of the new policies has been the restoration of stability to the Persian Gulf region, further and faster reintegration into the world capitalist system and greater participation in regional and global organisations such as the United Nations. Collectively they aim to find a counterweight to an unrivalled U.S. presence in the Middle East and West

⁹ Milani, M.M. The Making Of Iran's Islamic Revolution: From Monarchy To Islamic Republic, Westview Press, Boulder, 1994, pp.231-233.

¹⁰ Hunter, S.T. Iran And The World Continuity In A Revolutionary Decade, Indiana University Press, Bloomington, 1990, p.44.

Asia, to improve Iran's economic position in international terms, and to accelerate the regional search for a viable "non-aligned" substitute for the underperforming Non-aligned Movement.¹¹

THE CLINTON ADMINISTRATION'S POLICY TOWARD IRAN

Despite the new trends in Iran's foreign policy the U.S. continues to point to Iran as a threat to regional security that needs to be contained. The U.S. claims that Iran poses a major and inescapable challenge, that the clerical regime seems to have broadened its policy of ideological expansionism to international adventurism. That Iran is committed to a confrontational policy as expressed in its relentless military buildup, including the development of nuclear weaponry, the increasing support for terrorism working toward destabilisation in the Middle East, a region vital to Washington's interests.

In attempting to neutralise, contain and, through selective pressure, 'eventually transform' Iran into 'a constructive member of the international community, the USA has adopted a two-edged strategy: (a) applying economic pressure and denying Iran access to modern technologies, thus keeping it underdeveloped; and (b) giving support to Iranian dissident groups based abroad.¹²

To neutralise Washington's containment policy, Rafsanjani has tried to reduce tension, avoid confrontation, and drive a wedge in the G-7 camp by strengthening lucrative commercial ties with as many of its members as possible, and particularly

¹¹ Ehteshami, A. After Khomeini: The Iranian Second Republic, Routledge, London, 1994, p. 146.

¹² Tarcok, A. op.cit., p. 159.

Japan and Germany. Both are dependent on Gulf oil, and they have chosen to pursue constructive engagement with Iran as a more effective way than containment to persuade Iran to modify its policies. Washington's view that Iran is a threat to Persian Gulf security is not obviously shared to the same extent by these allies.

On July 27, 1993 the Assistant Secretary of State John Djerejian, in his address to the House of Foreign Affairs Committee, specified five charges against Iran: (1) disturbing acquisition of weapons by Iran; (2) Iran's sponsorship of international terrorism and assassination of its political foes; (3) a hostile attitude toward the Arab-Israeli peace process; (4) subversion directed against its neighbours; (5) violations of human rights.¹³ The question that needs to be answered is whether there is any substance to these charges.

IRAN AND THE PERSIAN GULF

With the defeat of Iraq in 1991, Iran has emerged as the major power in the region. According to the Clinton administration this is a great source of concern, since Iran is seeking to bring the area under its domination. However for Iran to bring the region under its domination it needs first of all to free the Persian Gulf from U.S. domination. This is almost an impossibility. Even if Iran were to be successful in this endeavour Iran would then need to become an economic and military power that it could coerce the Gulf sheikhdoms into submitting to its dictates. The eight years of war with Iraq,

¹³ Lenczowski, G. "Iran: The Big Debate", Middle East Policy, Vol. 3, no. 2, 1994, p. 52.

international isolation, and difficulties in purchasing sophisticated weaponry have reduced Iran's military, and economic strength dramatically. Iran no longer possesses the offensive capability that it enjoyed during the 1970s. Nor does it openly advocate the overthrow of GCC governments.¹⁴

As Tarock argues,

an important point which is often missing in discussions about Iran's policy towards the Persian Gulf is that it is the largest and most populated country in the region, and because of its historical connection to the Persian Gulf, the Iranians feel entitled to play an active and effective role in the region. But wishing to play an active role proportionate to its size and historically important place in the region is far from wishing to dominate it. The Iranians are under no illusion that if the Shah, with full support of the West and \$9.94 billion a year purchase of arms in the last years of his rule was unable to dominate the Persian Gulf, the ayatollahs, with only \$1.2 billion purchase of arms in 1993-94 are in no position to do so either.¹⁵

In recent years Iran's regional policy has focused on three areas: firstly it has tried to shed its radical image that was characteristic of the Khomeini era. This is a difficult task because of the internal debate between moderates and radicals the internal power struggle has enable the radicals to influence Iran's foreign policy. The second factor in Iran's regional policy concerns its relations with the other Gulf states. Rafsanjani has tried to convince the states of the region that Iran no longer pursues policies that promote revolution in the Gulf. He has sought to reassure the

¹⁴ Tarock, A. op.cit., p.154.
 McCausland, J. "The Gulf Conflict: A Military Analysis", Adelphi Paper 282, November 1993, pp.72-73.
 Bill, J.A. "The United States And Iran: Mutual Mythologies", Middle East Policy, Vol.2, no.3, 1993, p.98.

¹⁵ Tarock, A. op.cit., p.154.

Gulf states that Iran is willing to coexist with their conservative regimes and to accept the territorial and political status quo. Consequently, the conservative gulf states feel considerably more secure than they did in the immediate aftermath of the Islamic revolution. Thirdly, a major premise of Iran's foreign policy in the Persian Gulf is that U.S. involvement in regional affairs exacerbates tensions, polarises interests, facilitates intervention and complicates settlements. The Iranian government has therefore sought to contribute to the creation of an environment conducive to the settlement of disputes by the indigenous states themselves- that is by regional security mechanisms.¹⁶

Iran's efforts to build closer links with the Arab states of the Gulf originate in its unsteady domestic political and economic conditions, and constitute the external elements of a policy devised to alleviate them. More specifically, they proceed from Iran's urgent need to pursue economic reconstruction; and signify an acknowledgment of the indivisibility of security and development. Iran's economic and political future is inescapably tied to access to the Gulf and by extension, to the Arab states which line its shores. The stabilisation of world oil prices so crucial to Iran's economic recovery necessitates co-operation, or at least the avoidance of confrontation with Saudi Arabia in the context of OPEC. Iran's conduct during the 1990-91 Gulf crisis and war earned political capital for Tehran; it set Iran and its

¹⁶ Bill, J.A. op.cit, p.102.

smaller Gulf neighbours on a course to rapprochement.¹⁷

As Tarock has written, while the security of the Gulf is of utmost importance to the U.S. it is of no less significance to Iran:

The security of the Gulf, and by extension the uninterrupted export of oil to the world market, is of no less vital importance to the economic life of Iran... Considering that 90% of the government foreign exchange revenue comes from the sale of oil, considering that Iran has to repay its foreign debt, which at present stands at \$30 billion, and considering that it needs to finance the Second Five-Year Development Plan (1995-2000), estimate to cost \$68 billion, from oil revenue, and finally, considering the trade agreements signed between Iran and Central Asian Republics for the transport of goods from the republics to Europe through the Gulf, the importance of a stable Persian Gulf to Iran can be better appreciate.¹⁸

IRAN'S MILITARY BUILDUP

The U.S. has accused the Iranian government of engaging in a massive military buildup and thus posing a threat to the Persian Gulf security. The Iranian defence buildup is intended as an insurance policy, to deter all potential aggressors. It serves as an indication of Iran's resolve not to be intimidated, pressured or cajoled into docility. The defence buildup is intended as a deterrent against an aggressive regional state. In Washington eyes, Iran's behaviour is alarming. However from Tehran's perspective, the country does seem vulnerable. The rearmament program is deemed only prudent behaviour given the volatility of the region. Iran sees the American Gulf battle fleet, dominating local waters and air

¹⁷ Murden, S. op.cit., pp.78-91.

Afrasiabi, K.L. After Khomeini New Directions In Iran's Foreign Policy, Westview Press, Boulder, 1994, pp.86-107.

¹⁸ Tarock, A. op.cit., p.157.

space. Saudi Arabia, Kuwait, Bahrain, the UAE and Oman all have bilateral agreements with the U.S.. Many also have security arrangements with France and Great Britain. Of further discomfort to Iran is the arms buildup of its neighbours. These countries are strengthening their military arsenals so the question arises why cannot Iran replace the weapons it lost during the war with Iraq?

A statistical comparison between Iran's arms imports and that of its Arab neighbours would show that it is perhaps Iran which has reason to be apprehensive about the intentions of its Arab neighbours and not the other way around. For example, the Gulf states (excluding Iraq) have spent about \$157 billion on their military forces from the years 1989 to 1992. In 1992 the CIA estimated that Iran was spending about \$2 billion annually on arms imports.¹⁹

To the West of Iran lies Iraq which proved such a threat in the 1980-88 war. There are also important security considerations to the North of the country resulting from the breakup of the former Soviet Union. Through Iranian eyes, there are sound reasons for national security for expenditure of resources on high-tech armament.

Iran's military in comparison with those of its neighbours is much weaker than it has been for decades.

A brief comparison of regional air forces indicates, for example, that Iran trails its neighbours significantly. With 206 aircraft of which only 40 MIG 29s can be considered advanced, Iran must survive alongside the GCC countries with 624 aircraft that include such advanced planes as F-15s, Mirage 2000, and Strike and Interceptor Tornados. Saudi Arabia alone has on order or in operation over 150 F-15s. More alarming in Iran's view is the fact that even after Desert Storm Iraq still has 261 tactical aircraft.²⁰

¹⁹ Tarock, A. op.cit., p.155.

²⁰ Bill, J. A. op.cit., p.103.

In a serious comparative study of the military balance in the region, Iran's military buildup is relatively modest in the context of the dramatic overall military buildup in the region.

With the fastest rate of population growth in the region, with relatively small oil revenues and with a devastated economy, it would be suicidal for Iran to make militarisation its top priority. Iran has legitimate defence needs. Therefore it is rebuilding and modernising its military, but with a very limited budget.

Iran's nuclear program is also a source of great controversy. While the idea of possessing the bomb must be tempting to the Iranian government, it is not clear that Iran actually has the manpower and the infrastructure to undertake a clandestine operation to build a bomb. What is clear is that the International Atomic Energy Agency has frequently visited all the suspected nuclear facilities and has concluded that all of them are for peaceful purposes only.²¹

Yet the United States chooses to ignore all these facts. This is because the "Iranian threat" is a good excuse to cement its hegemonic position in the region. The threat to the Gulf states does not come from accumulation of excessive military capability on Iran's part rather the immediate threat to these sheikdoms lies in the danger of internal collapse. America's insistence that they spend vast sums of their resources on U.S. weaponry only exacerbates their domestic problems and may even accelerate their downfall.

²¹ Tarock, A.op.cit., p.156.

OTHER U.S. "CONCERNS"

Washington has expressed concern over the Iranian government's opposition to the Arab-Israeli peace process. The Iranian opposition has less to do with its Islamic ideology and more with national security considerations. William Perry has been quoted as saying, to the Senate Foreign Relations Committee that:

Iran poses a serious threat to Israel as well as to Saudi Arabia, Kuwait, and the Persian Gulf states, and that only a combined force of Israel, the United States, and the Persian Gulf states can stand up to Iran's military power and deter its threat.²²

Tarock, argues that In short, the Israel-PLO agreement has created a de facto US-Israel-Arab alliance which, Iran fears, has the potential of being turned into a vehicle for applying political, military and economic pressure on it and thus threatening its national security interests in the Persian Gulf.²³

The United States has also accused Iran of being a sponsor of terrorism. While Iran is by no means innocent of all terrorist activities, at the same time it is a serious distortion of the truth to blame Iran for many violent incidents that occur around the world especially in the Middle East. As Bill, has written, "there is a glaring lack of evidence to support the allegations that Iran is responsible for upheavals in places like Egypt, Sudan, Algeria and Bosnia" he goes on to say that many of the past accusations have been

²² Tarock, A.op.cit., p.153.

²³ Tarock, A.op.cit., p.153.

quietly proven false.²⁴ One of the more recent allegations which was later proven to be groundless, was the bombing of a Jewish centre in Buenos Aires. Within hours of the bombing, Iran was accused of having masterminded the whole thing, but in the coming weeks Argentinian investigators failed to find any evidence implicating Iran and thus were forced to apologise.²⁵

In addition Iran is condemned by the U.S. for human rights violations and political repression. This critical stance toward Iran is riddled with contradictions. Similar acts of repression, violence or human rights violations are routinely committed by secular or "friendly" regimes in the Persian Gulf yet usually they go unnoticed.

Similarly, during the Shah's reign his human rights record went unnoticed by America. As far as foreign policy matters are concerned, there has been a discernible tendency for human rights to be downgraded when in conflict with American self-interest. During the Cold War American policy makers sought to contain Soviet expansion and communist influence through economic and military aids. To achieve these goals, the Americans were willing to cooperate with any regime regardless of their human rights record, including that of the Shah's despite his dismal record on the matter.

This is not to condone any of the violations which are numerous that do take place in Iran, but the Iranian regime if

²⁴ Bill, J.A. op.cit., p.101.

²⁵ Laipson, E. & Cottam, R. "Symposium: U.S. policy Toward Iran: From Containment To Relentless Pursuit?", Middle East Policy, Vol.4, nos 1&2, September 1995, p.7.

not better is no worse than many of the regimes in the region whose records the Clinton administration choses to ignore.

U.S. OBJECTIVE IN "DEMONISING" IRAN

The Clinton administration and other U.S. policy makers have vested interest in demonising Iran, Islam and the governments and political movements which challenge the U.S. and pro-Western muslim regimes in its name. For nearly fifty years America was politically, economically, militarily and ideologically geared towards fighting a Cold War with the USSR. The United States seems to be attempting to fill the post-Cold war vacuum with another threat against which to test its bravado and power, and to provide a new justification for committing a large proportion of its budget to the defence sector - preserving jobs and serving vested interests associated with the military-industrial complex. The United States may be seeking a leading military role in world affairs to alleviate a feeling of insecurity associated with its gradual decline as a world power, severe internal socio-economic problems, and the loss of economic ground to Europe and Japan. The U.S. is also anxious for a justification for foreign intervention to protect its interests in the Third World, especially the Persian Gulf oil. During the Cold War the policy of containment provided this. Now, in the post-Cold war era, the U.S. is in need of a new enemy in the region to continue its policy, an "Islamic fundamentalist" Iran is an ideal excuse.²⁶

²⁶ Jin, K.K. (ed.) Whose War? What Peace? Reflections On The Gulf Conflict, Aliran, 1991, pp.116-119.

CONCLUSION

There was a drastic change in Tehran's Gulf policy following the 1979 revolution. The revolution was built around the concept of Iran as the centre of the world's Islamic movements and thus also the source of their momentum, this image generated an activist, confrontationist foreign policy. Relations between the Arab Gulf states and Iran which had never been entirely devoid of suspicions and rivalry plummeted. However, relations have improved since then. The Iranian government has been busy looking inward more than outward. The Iranian economy is in shambles.

Iran's size, its population, its industrial base, ownership of the world's second largest reserve of natural gas, and being one of the rich oil producing countries, all these combined obviously make for the potential of Iran as a future power. But the question of intention is important, and I think at this moment from all the evidence that is available that Iran although suspected of trying to dominate the region, even if that intention were true, does not have the capability for doing so.

CONCLUSION

The aim of this thesis was to determine to what extent, if at all, U.S. claims about Iran, regarding Tehran's attempt to "export revolution", and the so-called "threat" that it poses to Persian Gulf security, are real. It is apparent that perceptions of the "danger" posed by Iran are exaggerated. Apart from the fact that much of the criticism emanating from revolutionary Iran has been well-deserved, such as Western imperialism, Iran's influence has been overestimated. Despite provoking some violent outbreak in the region, Iran's export of revolution has generally been unsuccessful. The success of the Gulf states in suppressing or placating opposition in their societies has undermined Iran's influence considerably. Furthermore, being in need of better political and economic relations with other countries Iran has watered down its revolutionary position. It lacks the economic strength to have great influence, or to bring about Islamic revolution in the region. Iran is in the process of rebuilding, and has need of increased foreign currency earnings, inward investment and economic reform, if it is to stand any chance of recovering from the disruptions of revolution, war and population explosion.

The condition of the economy, including many of the measures taken to resuscitate it and Iran's foreign policy are inseparable. The resources which Iran can deploy in pursuit of its foreign policy aims depend to a large extent on the well-being of the national economy. Conversely, the feedback from

Iran's foreign policy can improve or worsen economic conditions in Iran. To a large extent, post-khomeini Iran's foreign policy has been devoted to securing co-operation to pursue economic reconstruction and development.

However, on the basis of history, geography and sovereign right, Tehran demands a leading voice in the affairs of the Gulf and hence in Gulf security. According to the Iranian leadership, the imposition of a security structure on the Gulf by foreign powers, especially the United States, is not only unwarranted interference, but also doomed to failure. They see the Arab alignment of the Damascus declaration and U.S. involvement in the defence of the Gulf states as directed against Iran. The Iranian government wants a security system which includes all regional countries. However, Iran's calls have so far gone unnoticed.

Instead, U.S. and Arab attention has focused more on Iranian rearmament, its potential to build a nuclear arsenal, its quarrel with the UAE over Abu Musa and the Tunbs, and its alignment with militant Islamic groups across the Middle East. Herein, the U.S. warns, lies the making of an Iranian plan to become a regional hegemon, and ambitions to fight a "holy war" with Israel. Iranian rhetoric feeds such fears, though the country's material capacity suggests many a limitation.

Iranian challenge lies in the alternative it offers for political, economic, social and spiritual direction, and the demands it voices for self-determination, freedom and justice. But is Iran a threat to international order as America claims? The term "international order" is very ambiguous- whose order?

Many Iranians, and Muslims in general, would argue that the "order" that America is apparently seeking to maintain is a greater threat to them than they are to it. The ambiguity of the term makes it useful for Western policy-makers who want to present a hostile Islam to the public. For America a stable Middle East has more to do with the maintenance of the status quo, more specifically American hegemony and interests- than either peace, or justice.

In so far as Iran can find ways of reducing the impact of the Western dominated and U.S.-orchestrated "new world order" on its own socio-economic and politico-military system, it has been emphasising the importance of multilateral regional and international organisations and agencies in providing useful channels for the Third World to participate actively in the shaping of the post-Cold War international order. Iran itself has been busy raising the country's representation in such forums.¹

In a speech to the 51st session of the United Nations General Assembly, Dr. Ali Velayati the minister for foreign affairs of the Islamic Republic expressed the following:

A pattern of behaviour that has been manifested in the past several years by the United States Government is the self-arrogation of the right to legislate for the international community by attempting to apply its domestic legislation beyond its borders. Recent unilateral sanctions enacted by the United States against trade partners of a number of countries not only constitute grave breach of various norms and principles of international law and many resolutions of this Assembly and other international fora as well as blatant interference in the internal and external affairs of other States, but indeed point to a very dangerous trend,

¹ Ehteshami, A. After Khomeini: The Iranian Second Republic, Routledge, London, 1994, p.164.

which undermines the very foundations of contemporary inter-state relations...The Islamic Republic of Iran has referred these two pieces of legislation to the pertinent international tribunal. We strongly believe that unless this dangerous trend is arrested at its earlier stages of inception, it will have irreversible implications including undermining the credibility and reliability of international undertakings, if outlaws are left to trample upon the rule of law, peace and security through the globe will be in peril.²

Until the Iranian revolution, the American policy objectives in the Persian Gulf were to maintain its political, and economic relationships with the two most pro-Western countries in the region, Iran and Saudi Arabia. Iran played the key role for the security of the Gulf region compatible with the Nixon doctrine. The collapse of the Shah's regime in Iran and subsequent developments in domestic, regional and international policy behaviour of the Islamic Republic of Iran the hostage crisis and the Iran-Iraq war caused the relationships between U.S. and Iran to change drastically from cooperation to confrontation. Iran was perceived as a threat to the Gulf Arab sheikhdoms and American interests in the region.

Following the Persian Gulf war of 1991, U.S. policy towards the region has acquired a higher military profile and deeper political involvement. The U.S. involvement in Gulf security basically entails a commitment to supply, train and defend the GCC states; and a policy of containment towards Iran and Iraq.

² Text Of The Statement By H.E. Dr. Ali Akbar Velayati,
Minister For Foreign Affairs Of The Islamic Republic Of
Iran Before The Fifty-First Session Of The United
Nations General Assembly, New York, 23 September, 1996,
pp.3-4.

The current emerging security system is insufficient to meet the potential long-term challenges to stability in the Persian Gulf. Instead an overarching structure in the region incorporating all the littoral states, and acknowledging the special interests of not only the U.S. and her industrialised partners but also of the regional countries is needed. The current American policy towards Iran will only lead to greater animosity between the two nations. The U.S. can only in conjunction with Iran achieve stability in the region. Unfortunately, it seems as if the relation between the two countries will remain extremely acrimonious for the foreseeable future.

If the Iranian "threat" is to a large extent "constructed" by U.S. foreign policy makers, as this thesis has demonstrated, then it is high time to deconstruct it, for the sake of peace in the Middle East.

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